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November 4, 1975

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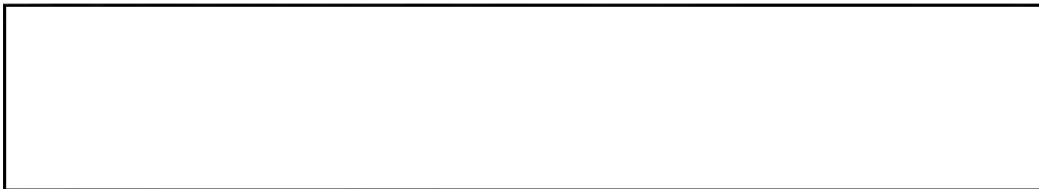
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LEBANON

As the latest cease-fire gradually takes hold, attention has shifted to feuding between Prime Minister Karami and Interior Minister Shamun, which now threatens political efforts to deal with the crisis.

The uneasy relationship between the two leaders has sharply deteriorated as a result of Karami's accusations that Shamun's National Liberal Party was partially responsible for the most recent round of fighting. Karami has also taken over security responsibilities previously handled by Shamun, including the negotiation and implementation of the latest cease-fire. The Prime Minister will hold a cabinet meeting today to gain majority approval of the new truce in an apparent effort to head off anticipated criticism from Shamun.

The deepening rift between Karami and his minister will undermine efforts to revive the national dialogue committee, which was scheduled to meet yesterday after two weeks of inactivity.

Past quarrels between Karami and Shamun have been successfully mediated and, in this instance, President Franjiyah and others are apparently trying to work out a reconciliation. There is now talk, however, that Shamun will resign from the cabinet. US officials in Beirut believe that the withdrawal of the only effective spokesman for Christian interests would further erode the authority of the government and would probably trigger another round of serious fighting.

Fighting in Beirut has slackened since the weekend.

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FRANCE

The credibility of the left alliance has been further damaged by the growing intensity of Communist criticism of the Socialists in the last few days.

The alliance had already been seriously undermined by the public squabbling between the two parties over the past year and, most recently, by the decision of their junior partner, the Left Radicals, to open a dialogue with the government. If the two major left parties do not begin soon to patch up their differences, the alliance may not be able to present a credible alternative to the voters in the municipal elections in 1977—or even to survive on paper that long.

In by-elections over the last year the Communist leaders have noted a steady decrease in the votes their party has drawn and an increase in Socialist votes. The Communists conclude that these inroads into previously Communist blocs of support will confirm the Socialists as the major leftist party and voice of the workers. The Communists also see themselves losing to the Socialists what little appeal they had among uncommitted voters, with no hope for improvement before the municipal elections. Consequently, the leadership may decide that the Communists should go it alone in opposition to the government, a move that would at least calm members who have been uncomfortable with the alliance.

Party chief Georges Marchais, who may not be fully recovered from a heart attack suffered last January, could be replaced. He is closely associated with the alliance policy and has never enjoyed wide popularity within the party.

The Communists do not want to break the alliance themselves, and their recent attacks may be designed to spur the Socialists into doing so. Socialist leader Francois Mitterrand refuses to respond in kind, thereby strengthening his image as a statesman. He also does not want the onus of breaking up the alliance.

By remaining silent, however, Socialist leaders are irritating the rank and file, especially in the provinces where the alliance is not popular. The party could lose ground among the center and uncommitted voters who want to see a clear distinction between the Socialists and the Communists.

The squabbling has also affected relations between the two largest labor organizations, the Socialist-leaning French Democratic Confederation of Labor (CFDT) and the Communist-dominated General Confederation of Labor (CGT). CFDT leaders last week heard a report that charged that the two parties are exploiting their differences to gain votes but are ignoring the workers' interests. The

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report marked the first explicit statement by a member of the opposition that the quarreling has undermined the alliance's ability to present itself as a credible alternative to the government majority.

The CGT, like its Communist sponsors, is concerned about losing its dominant role on the left. The more the Communist Party seems to be losing ground to the Socialists, the more compelled the CGT will be to assert its majority position in organized labor in order to strengthen the party's claim to represent the workers.

For its part, the CFDT is likely to follow Mitterrand's lead in trying to play down the squabbling. Both unions in fact have a greater immediate need than the two parties to maintain at least a minimum level of cooperation, or they will lose even more of their already weakened ability to organize protests of government policies.

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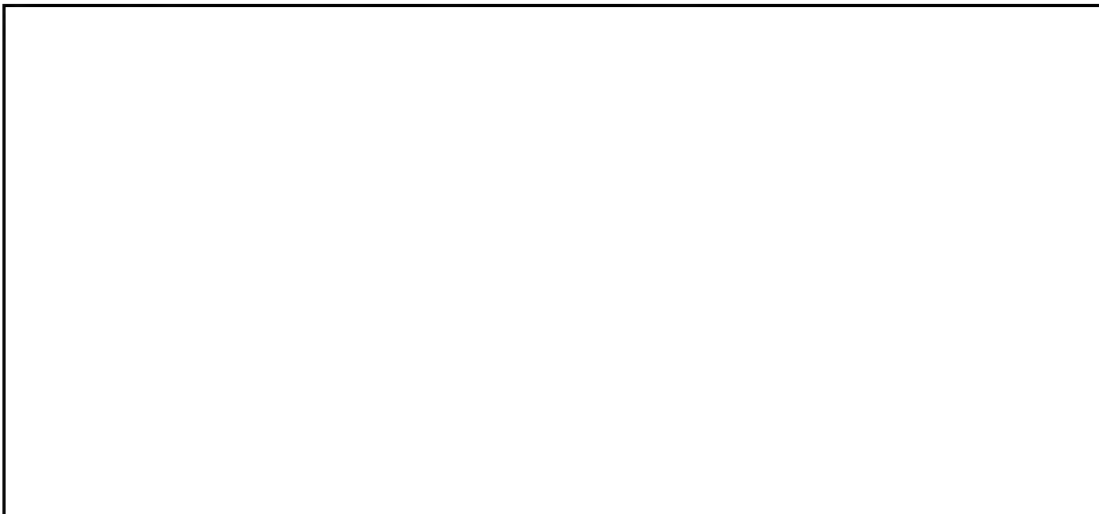
WEST GERMANY - FRANCE - NATO

West German Defense Minister Leber and other Bonn officials believe, after meeting with their French counterparts last week, that Paris is prepared to cooperate more closely with both Bonn and NATO.

Leber told US Ambassador Hillenbrand that meaningful progress had been achieved in the areas of military planning and arms standardization. Leber said French Defense Minister Bourges agreed to have French military officials participate with the Supreme Allied Commander in Europe in contingency planning.

Under the terms of the Lemnitzer-Ailleret agreement, concluded after France left NATO's integrated military command in 1966, French forces are regarded as part of the NATO reserve. Leber suggested to Bourges that it would be in the interest of France and NATO to consider other possible deployments of French forces, and Bourges agreed that there will be more discussions on this subject between Paris and SACEUR headquarters.

The West German defense minister said Bourges is not far from accepting the US proposal that a steering committee be established within NATO to discuss arms standardization. Bourges suggested to Leber—as he did recently to British Defense Minister Mason—that the French, British, and West Germans discuss the issue first, apparently implying that the US would be included shortly thereafter. This suggests the French are willing to raise to a more formal level the meetings that have been taking place among the armaments directors of the four powers. Leber told Bourges that the Italians should be included, too, and believes the French are considering this.



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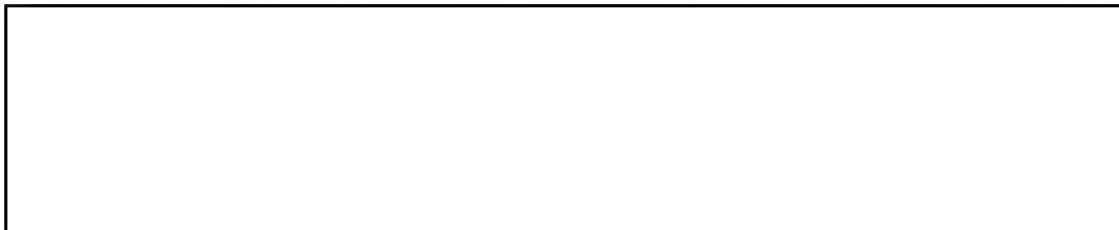
USSR-TURKEY

According to the US defense attache in Moscow, reports of a Soviet helicopter sale to Turkey are suspect; they apparently originated with the Greek attache in Moscow. The US defense attache in Ankara says there is no evidence that such a sale has actually taken place. The commander of the Turkish air force, a Turkish Foreign Ministry spokesman, and the Soviet ambassador to Turkey have denied the report.



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The USSR is, nonetheless, trying to take advantage of strained US-Turkish relations, having arranged a \$700-million economic assistance agreement this summer. The Soviets have also offered to sell helicopters to Turkey on several occasions since 1965. The Turks have apparently shown at least some interest.



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Overall, Soviet-Turkish contacts seem to have been initiated by Moscow. The success of such efforts will be influenced, among other things, by the outcome of the Turkish-US bilateral defense negotiations currently under way.

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CAMBODIA-THAILAND

Cambodian Deputy Prime Minister Ieng Sary and his Thai hosts in Bangkok have apparently established a favorable atmosphere for future contacts between the two countries.

The agreement to establish diplomatic relations was probably particularly gratifying to the Thai, who have thus far made little progress in resolving their differences with the Vietnamese or the Lao. The joint communique's vague formulation on the timing of ambassadorial exchanges—at a convenient date "depending on prevailing conditions"—confirms, however, that the Cambodians are not anxious to permit Thai diplomatic emissaries in Phnom Penh.

Thai agreement to the pledge that both parties would not allow their territory to be used for hostile purposes against the other was probably intended to allay Cambodian fears of Thai government support for resistance groups operating in the border area against Cambodia. For their part, the Thai may interpret the statement as a Cambodian expression of nonsupport for Thai insurgents [REDACTED]

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The communique did not refer to the refugee issue, although Ieng Sary told reporters the two countries share a "common desire" that the refugees return to Cambodia. [REDACTED]

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AUSTRALIA

There are no signs of an early break in the political impasse over the opposition-controlled Senate's refusal to pass government appropriations bills. Liberal leader Fraser continues to insist that the government call national elections as his price for providing essential funds, and Prime Minister Whitlam holds to his contention that the Senate has no right to vote down the money bills.

Whitlam has taken heart from Fraser's inept orchestration of the opposition challenge. The opposition lost considerable public respect last week as a result of its awkward efforts to implicate Whitlam in the foreign loans scandal that triggered the opposition's demand for immediate elections. Taking advantage of the opposition's disarray, Whitlam has accused opposition Country Party leader Anthony of accepting CIA money. Although the opposition has denounced the charge as a fabrication, the charges will almost certainly be hotly debated when Parliament ends a recess today.

Fraser's personal standing has suddenly dropped below Whitlam's 37-percent public approval rating. The Labor Party narrowed the gap in public standing but still trails the Liberal-Country opposition by a 7-percent margin.

Despite Labor's limited recovery from its all-time low, Labor would almost certainly lose any early test at the polls. The opposition continues to expect that the Governor General will eventually intervene to force elections by the end of the year.

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ISRAEL-EGYPT: The first ship carrying Israeli cargo through the Suez Canal since the late 1950s arrived at the Israeli port of Eilat early this morning. Egyptian authorities barred the press from covering the ship's passage through the canal on Sunday, contending that they feared sabotage attacks by radical Arabs or Palestinians who oppose the Egyptian-Israeli accord. A more likely explanation is that Cairo wished to avoid extensive publicity, and particularly wanted to keep Arab press coverage of the event to a minimum.

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SRI LANKA: Sri Lanka will probably receive a long-promised fast patrol boat from the Soviets late this month. A merchant tug towing an Osa-type large guided-missile patrol boat left the Black Sea on October 28 and arrived at Port Said yesterday to transit the Suez Canal. The Sri Lankan press has reported that such delivery would be made in November. Reliable information indicated that the Osa has had all four Styx missile tubes removed, probably retaining only its deck-mounted guns. Acquisition of a stripped-down Osa would aid in anti-smuggling patrols between Sri Lanka and India. The Osa is the first Soviet-supplied craft for Sri Lanka, and it will supplement five Shanghai-class motor gunboats provided by China.

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FRANCE: The National Assembly has approved the 1976 defense budget despite criticism of the government's failure to submit a new five-year plan and inadequate funds for conventional equipment. Pay increases have forced cuts in capital expenditures as well as training and operational costs, leading some deputies to criticize the "continuing degradation" of conventional forces. The \$11.1-billion budget is up 14.1 percent over last year, and operating costs account for over half of total expenditures.

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